



Global Business Services

ENCOMPASS Balancing and Reconciliation

Workshop Presentation





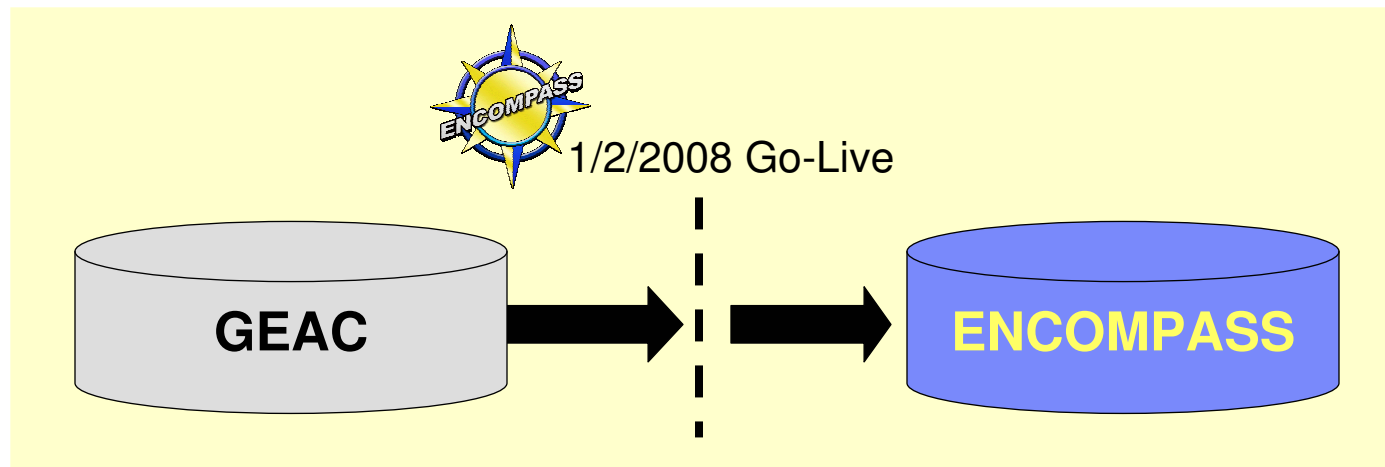
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- Background
- Balancing and Reconciliation Activities
 - General Ledger
 - eProcurement/Purchasing
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 - Accounts Payable
- ENCOMPASS Balancing and Reconciliation Schedule



Background

- The Auditor of State (AoS) operates the state accounting system (GEAC), which is the official financial record for the State
- On January 2, 2008, AoS will retire GEAC financials and begin using the Enterprise Common Processing and Analytics Systems (ENCOMPASS*) to maintain the official record for the State's budget, general ledger, cash receipts, and disbursements



* ENCOMPASS is the name for the State of Indiana's new financial management system, which is based on PeopleSoft Financials 8.9



Background (cont.)

- Since the conversion from GEAC to ENCOMPASS occurs six months into FY 2008, financial records will be maintained in both GEAC and PeopleSoft 8.9 until ENCOMPASS go-live
- At go-live, financial transactions in PeopleSoft 8.9 must balance with GEAC transactions so that ENCOMPASS will match the official record for the State

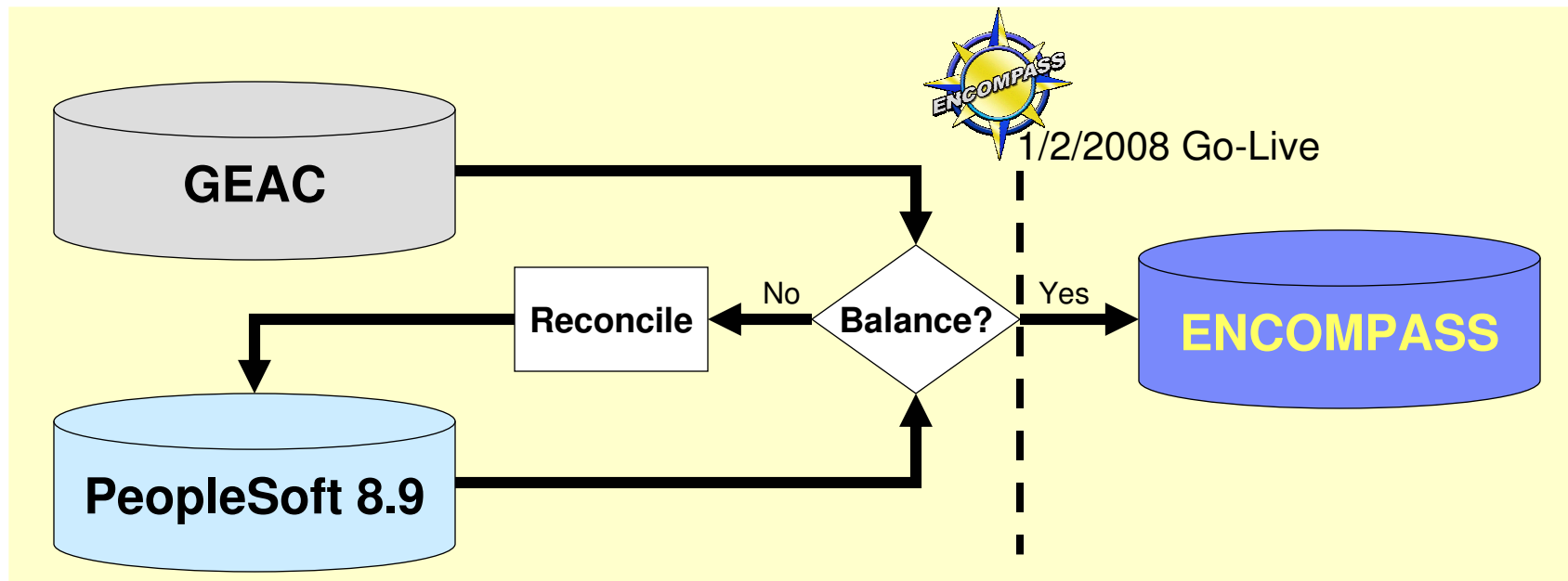




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Balancing and Reconciliation Activities

To prepare for ENCOMPASS, agencies should:

- Record all financial transactions in PeopleSoft 8.9 starting July 1, 2007, which will:
 - Align current financial management processes with future ENCOMPASS processes
 - Enable agencies to more easily balance PeopleSoft 8.9 financial statements and GEAC financial statements
- Reconcile open financial transactions in PeopleSoft 8.9 to the financial transactions in GEAC
 - Purchase orders
 - Assets exceeding \$20,000



**Balancing
Best Practices**



**Reconciling
PeopleSoft
with GEAC**



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General Ledger

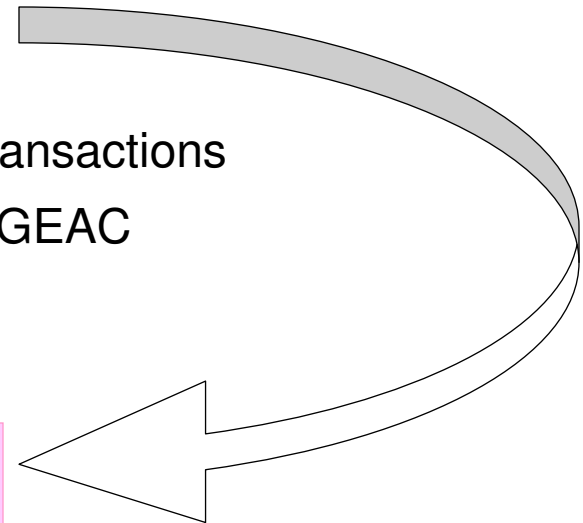
- General Ledger (GL) is used to post accounting entries from other subsidiary systems (i.e., Accounts Payable)
- Financial transactions that are not posted to the GL from subsidiary systems must be entered into PeopleSoft 8.9 via journal entries
- The GMIS website provides GL guidance

⇒ The following GL slides present:

- Best practices for balancing PeopleSoft transactions
- Guidance for reconciling PeopleSoft with GEAC

PeopleSoft 8.9 GMIS Documentation Web Address:

https://financial.gmis.in.gov/SOI/soi_fs_info.html





General Ledger (cont.)

- Up through go-live: In addition to Journal Voucher (JV) entries, the following items should be entered as GL Journal entries into PeopleSoft:
 - High Volume payments (one line entry from AoS GL)
 - SDO Reimbursements
 - Corrections to GL-only Transactions
 - Payroll
 - ID Bills (items/services not in PeopleSoft REQ/PO)
 - Report of Collections
- The table provided on the following two slides lists the conventions for processing JVs as described on the GMIS website
- After go-live: Discontinue entering the JV entries listed above as these processes will change under ENCOMPASS

The new ENCOMPASS processes will be communicated to you during ENCOMPASS training scheduled for this Fall



General Ledger (cont.)



AoS JV Entries	Description*
High Volume	Enter as a GL Journal with the same full Doc Ref # and transaction date as the AOS- ex: HV20801210, HV2351001. Long and/or line description should include relevant information such as type of high-volume transactions and date of service and object descriptions.
SDO Reimbursements	Enter as a GL Journal with the RV# and transaction date from the AOS- ex: L531706009. See this document for instructions: https://financial.gmis.in.gov/SOI/AP/AP_340.doc Remember - SDO reimbursements will always be a Debit (positive sign) = your agency's SDO Cash Object and Credit (negative sign) = 110000 (AOS Cash object). Record the ACH # for reimbursement in long description.
Corrections to GL-only Transactions	Journal ID should match the ID of the journal being corrected – but use the next date for the journal date as PS won't allow two journals with the same ID and date. Long description should include an explanation for the correction or change being made. The line description should match the line description of the original transaction.

* Descriptions are taken from the Conventions for GL Journals process provided on the GMIS website



General Ledger (cont.)



AoS JV Entries	Description*
Payroll	Enter as a GL Journal with the same full Doc Ref # and transaction date as the AOS- ex: PR051005, PR051012. Payroll journals may be entered with a salary line, a combined fringe line (use object E00005) and a cash line for each fund/center combination. Routine payroll journals may not have any additional info to record in the long description. Enter the pay period in each line description. Note: any PR entries for adjustments or special payments should have relevant information recorded in the long and/or line description.
ID Bills (items/services not in PeopleSoft REQ/PO)	Enter as GL Journal with the same full Doc Ref # and transaction date as the AOS- ex: IDMP083589, IDTC0900EH. Line description should include relevant information such as date of service, print shop order #, vehicle # for lease or repair, mailing project. For lengthy, recurring ID bills (IDTC) you may want to use the Copy Journal procedure to save on data entry: https://financial.gmis.in.gov/SOI/GL/GL_060.doc
Report of Collections	Enter as a GL Journal with the same full Doc Ref # and transaction date as the AOS- ex: RC464163, RC464291. Revenue received is entered as a credit (negative sign) to a revenue object with an offset (positive) to cash (110000). Refunds of expenditure are entered as a credit (negative sign) to an expense object with an offset (positive) to cash (110000). Long and/or line description should include relevant information such as source of revenue (court order #, copy fees, check #).

* Descriptions are taken from the Conventions for GL Journals process provided on the GMIS website



General Ledger (cont.)



- GL balances recorded in GEAC should match the balances in PeopleSoft
- The GMIS website presents two GL reconciliation processes (one manual and one automated process)
- From the GMIS documentation home page, under the General Ledger and Budgets section (Reconciliation subsection), click on the appropriate reconciliation process instructions, which are:
 - **Manual Recon – PeopleSoft GL Objects AOS**
 - **Automated Recon – Actuals Ledger FOCAD Recon**

PeopleSoft 8.9 GMIS Documentation Web Address:
https://financial.gmis.in.gov/SOI/soi_fs_info.html



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eProcurement(ePro)/Purchasing

- ePro/Purchasing is required for all purchases over \$500:
 - Creating requisitions pre-encumbers funds in PeopleSoft
 - Creating purchase orders encumbers funds in PeopleSoft
- The GMIS website provides PeopleSoft purchase order guidance
- The IDOA Procurement Division lists processes to create requisitions
- ➔ The following ePro/Purchasing slides present:
 - Best practices for balancing PeopleSoft transactions
 - Guidance for reconciling PeopleSoft with GEAC

IDOA Procurement Division Documentation Web Address:

<http://www.in.gov/idoa/services/proctraining>

PeopleSoft 8.9 GMIS Documentation Web Address:

https://financial.gmis.in.gov/SOI/soi_fs_info.html



ePro/Purchasing (cont.)

Balancing Best Practice	Description
Create a requisition and purchase order in ePro/Purchasing for all purchases over \$500	<ul style="list-style-type: none">■ The Indiana Department of Administration's (IDOA) Procurement Division has the authority and responsibility for all procurements under object codes 3,4, and 5 by any state government entity (with a few exceptions)■ According to IDOA's Streamlining Manual, all purchases of \$500 and above (with the exception of PAs and state resource purchases) should be initiated by creating a "special request" requisition in ePro

All current anticipated purchases should be entered into PeopleSoft when identified



ePro/Purchasing (cont.)

Balancing Best Practice	Description
Build PeopleSoft purchase orders from the ePro requisition(s)	<ul style="list-style-type: none">Information contained in the ePro requisition will electronically copy to the PeopleSoft Request for Quotation (RFQ), purchase order, and receiver



ePro/Purchasing (cont.)

Balancing Best Practice	Description
Link receivers recorded in PeopleSoft to the purchase order	<ul style="list-style-type: none">■ Receipt of goods and or services should be recorded in PeopleSoft and linked to the appropriate purchase order■ Receivers can be created manually, created from the requisition, and or created from the purchase order



ePro/Purchasing (cont.)

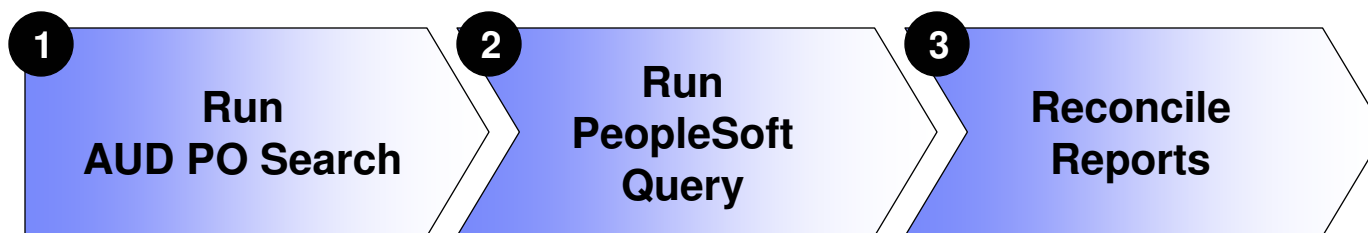
Balancing Best Practice	Description
Create claim vouchers from the corresponding purchase order	<ul style="list-style-type: none">■ Claim vouchers should be linked to the purchase order so that an additional encumbrance is not established in PeopleSoft; multiple encumbrances for the same item/service reduces available budget for other purchasing needs■ Claim vouchers can be created manually or from the purchase order



ePro/Purchasing (cont.)



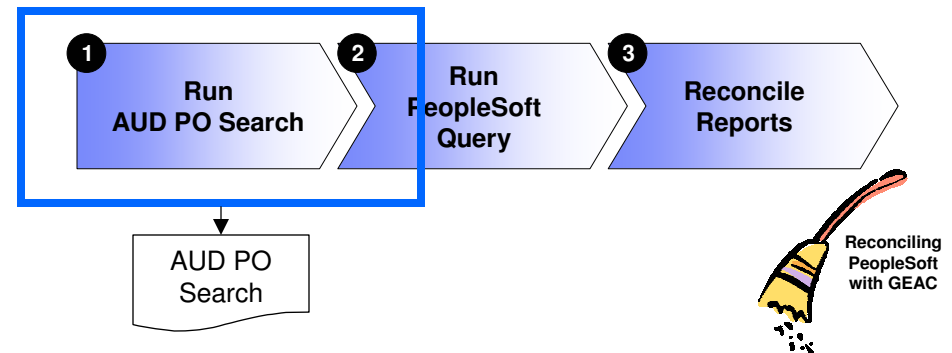
- Purchase orders recorded in GEAC should:
 - Be recorded in PeopleSoft; and
 - Balance (i.e., purchase order total and amount expended should be equal in both GEAC and PeopleSoft – taking into account balance timing differences)
- Complete the three step process below to reconcile PeopleSoft and GEAC purchase orders



- Tasks to complete each step are provided on the following slides



ePro/Purchasing (cont.)



STEP 1: Run AUD PO Search

- Business Units can obtain their purchase orders recorded in GEAC by running an AUD PO Search query
- The AUD PO Search query can be accessed via AoS' intranet site (<http://auditor.in.gov>); from the AUD home page, click:

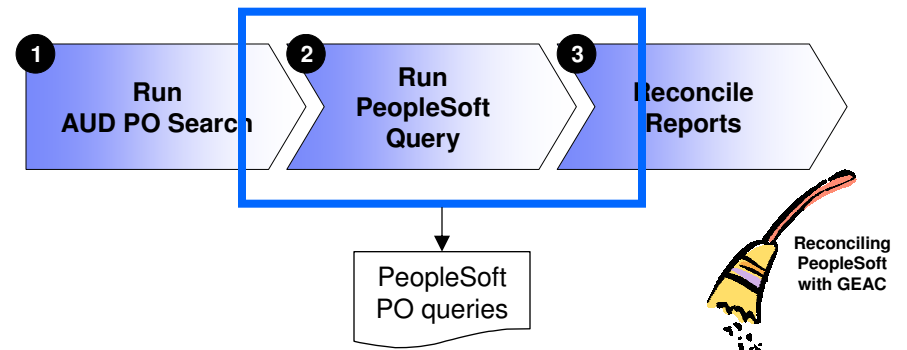
- **Accounting**, then
- **Applications**, then
- **Purchase Order Search**

The screenshot shows the 'AUD Purchase Order Search' web interface. The interface includes a navigation bar with links: Home, Accounting, Finance, Accounts Payable, Payroll, HelpDesk, Intranet, and Extranet. The main heading is 'Purchase Order Search'. Below the heading is a search form with a text input field for 'Agency (Business Unit) Number', a 'Sort By...' dropdown menu, and an 'Ascending' dropdown menu. The form has buttons for 'Search', 'Reset', 'Search Help', and 'Print'. A yellow box highlights the 'Search' and 'Print' buttons. A list of instructions on the left side of the screenshot points to the corresponding elements in the interface:

1. Select search parameters
2. Enter Agency (Business Unit) Number
3. Click **Search**
4. Click **Print**



ePro/Purchasing (cont.)



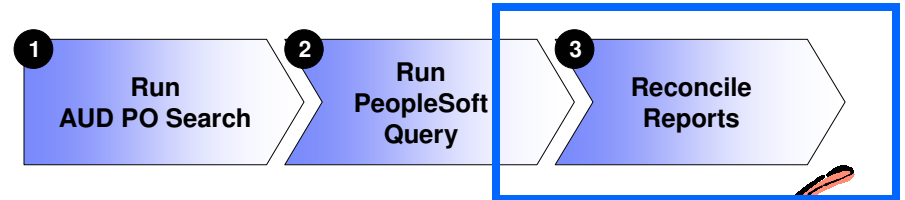
STEP 2: Run PeopleSoft Query

- Business Units can obtain guidance on running PeopleSoft purchase order queries through the GMIS website
- From the GMIS documentation home page, under the Reporting and Query section, click:
 - **Recommended Public Queries List**, then
 - **eProcurement/Purchasing Queries**
 - The *Purchase Orders Unliquidated* query displays purchase orders that have not been liquidated; Business Units must be using PeopleSoft Financials General Ledger

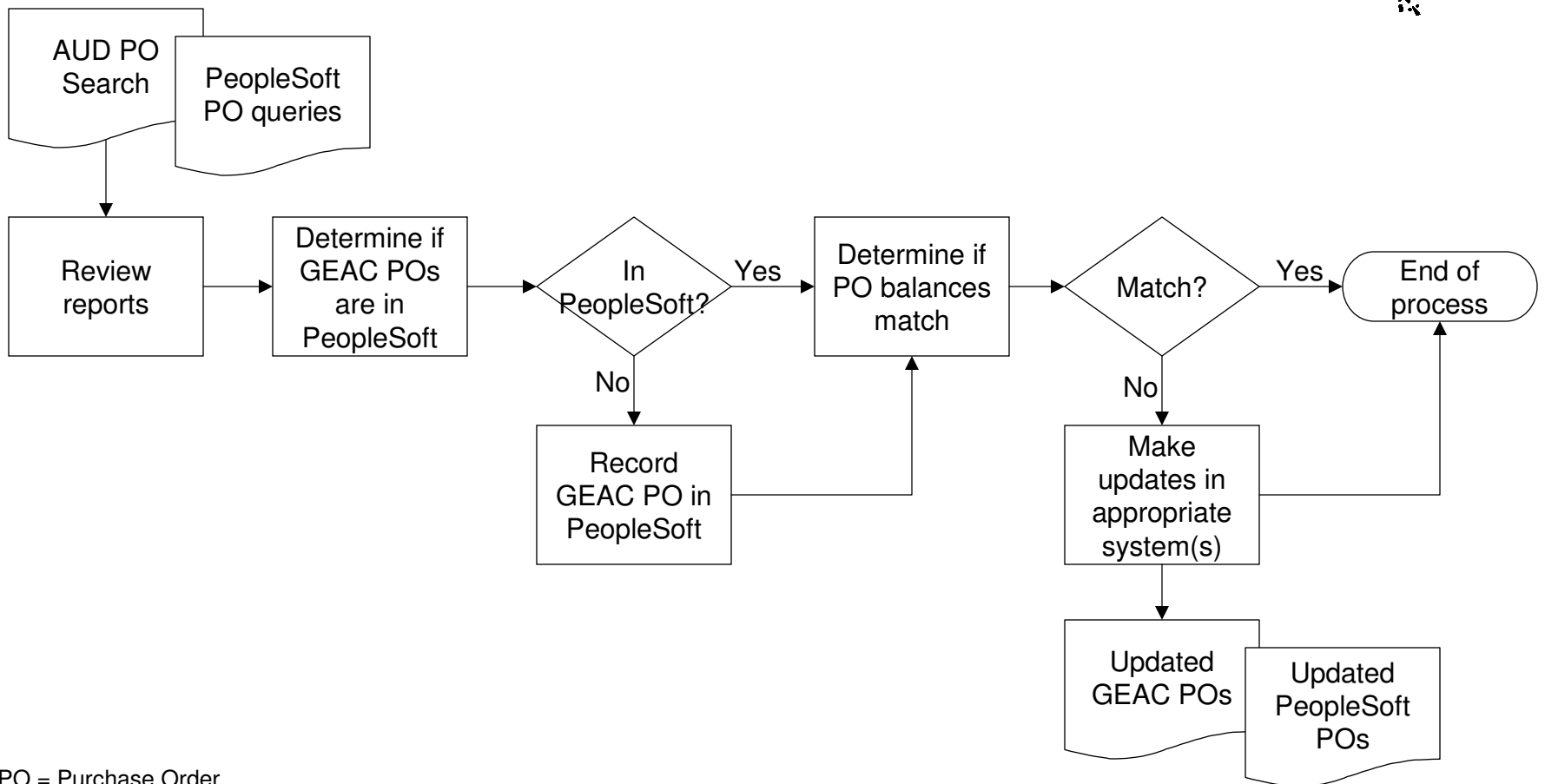
PeopleSoft 8.9 GMIS Documentation Web Address:
https://financial.gmis.in.gov/SOI/soi_fs_info.html



ePro/Purchasing (cont.)



STEP 3: Reconcile Reports



PO = Purchase Order



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Asset Management

- Asset Management (AM) is used to record assets in PeopleSoft
- Basic asset information includes:
 - Financial attributes (cost, books, depreciation method and convention, life, and AOS category)
 - Physical attributes (tag number, specifications, location, custodian, and manufacturer)
- The GMIS website provides PeopleSoft asset management guidance

➡ The following AM slides present:

- Best practices for balancing PeopleSoft transactions
- Guidance for reconciling PeopleSoft with GEAC

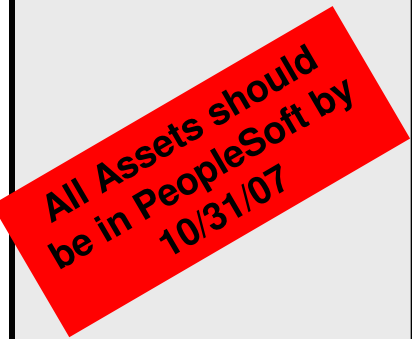
PeopleSoft 8.9 GMIS Documentation Web Address:

https://financial.gmis.in.gov/SOI/soi_fs_info.html





Asset Management (cont.)

Balancing Best Practice	Description
Record current and new assets exceeding \$500 in PeopleSoft 	<ul style="list-style-type: none">■ Business Units are responsible for maintaining an asset control system for all assets that cost more than \$500. The \$500 limit is a minimum requirement. Since Business Units are responsible for the accountability and security of all assets, they may choose to lower this limit and to include other items deemed to be necessary.■ Assets that cost \$20,000 or more must be reported to AoS■ Business Units must also maintain a record of new assets and assets that are retired■ GMIS can help Business Units upload assets from MS-Excel spreadsheets into AM



Asset Management (cont.)



Balancing Best Practice	Description
Include asset data when entering ePro requisitions and purchase orders	<ul style="list-style-type: none">■ Asset data contained in the ePro requisition and the purchase order will electronically copy to AM through the Pre-Asset Management Interface Tables



Asset Management (cont.)

Balancing Best Practice	Description
Include asset data when entering receivers in PeopleSoft	<ul style="list-style-type: none">■ Upon receipt of assets under a "dispatched" purchase order, Business Units can record assets in ePro/Purchasing■ Physical attributes such as the asset tag number, serial number, custodian, model and manufacturer can be recorded in the receiver■ Upon completion of the receiving process, an AP voucher is created and posted for payment■ Asset data contained in the receiver will electronically copy to AM through the Pre-Asset Management Interface Tables



Asset Management (cont.)

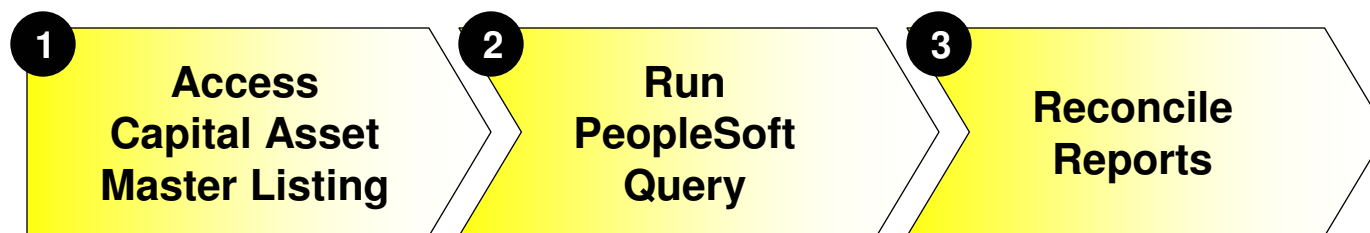
Balancing Best Practice	Description
Load assets into AM	<ul style="list-style-type: none">■ After posting the AP voucher, AM can receive asset data through a series of batch processes. Refer to the PeopleSoft 8.9 Asset Management Training Guide located on the GMIS website for instructions on loading assets into AM through the Pre-Asset Management Interface Tables■ If a receiver is not established in PeopleSoft ePro/Purchasing upon the receipt of goods/services, Business Units can also add asset data directly into the AM module



Asset Management (cont.)



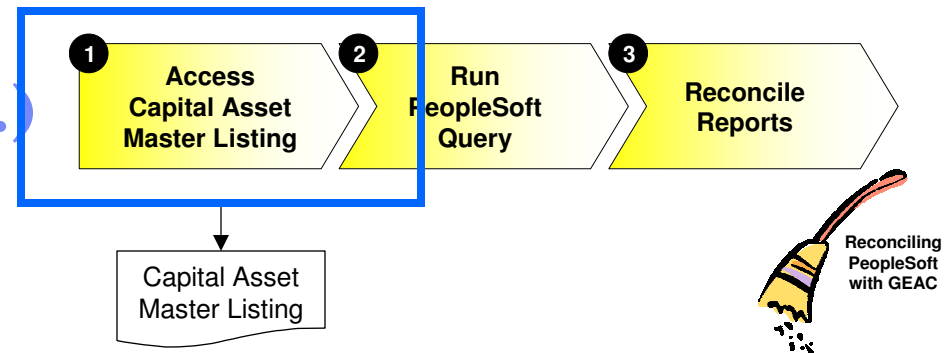
- AoS records all assets exceeding \$20,000 in GEAC; assets recorded in GEAC should:
 - Be recorded in PeopleSoft; and
 - Balance (i.e., financial and physical attributes should be equal in both GEAC and PeopleSoft)
- Complete the three step process below to reconcile PeopleSoft and GEAC assets



- Tasks to complete each step are provided on the following slides



Asset Management (cont.)

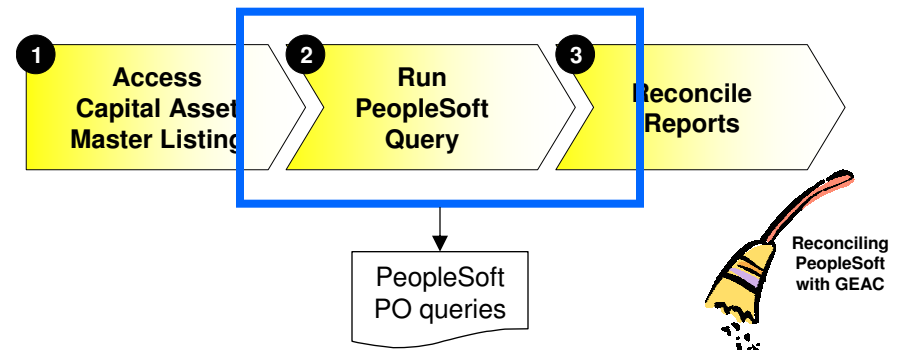


STEP 1: Access Capital Asset Master Listing

- Business Units can access their assets recorded in GEAC through the Capital Asset Master Listing report
- On a quarterly basis, AoS provides a paper copy of the Capital Asset Master Listing report to each Business Unit
- The Capital Asset Master Listing report lists equipment and fixtures owned by the state, for which the Business Unit is responsible for
- If you experience difficulties accessing the report within your Business Unit, please contact Donna Richie, Accounting Supervisor, AoS (email: drichie@auditor.in.gov)



Asset Management (cont.)



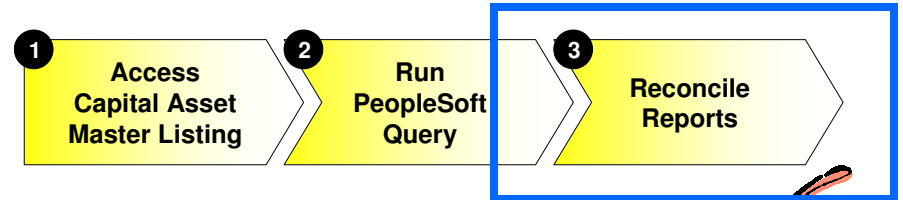
STEP 2: Run PeopleSoft Query

- Business Units can obtain guidance on running PeopleSoft purchase order queries through the GMIS website
- From the GMIS documentation home page, under the Reporting and Query section, click:
 - **Recommended Public Queries List**, then
 - **Fixed Asset Management Queries**
 - The *Assets Over 20K* query displays all assets in AM that are \$20,000 or more

PeopleSoft 8.9 GMIS Documentation Web Address:
https://financial.gmis.in.gov/SOI/soi_fs_info.html



Asset Management (cont.)



STEP 3: Reconcile Reports

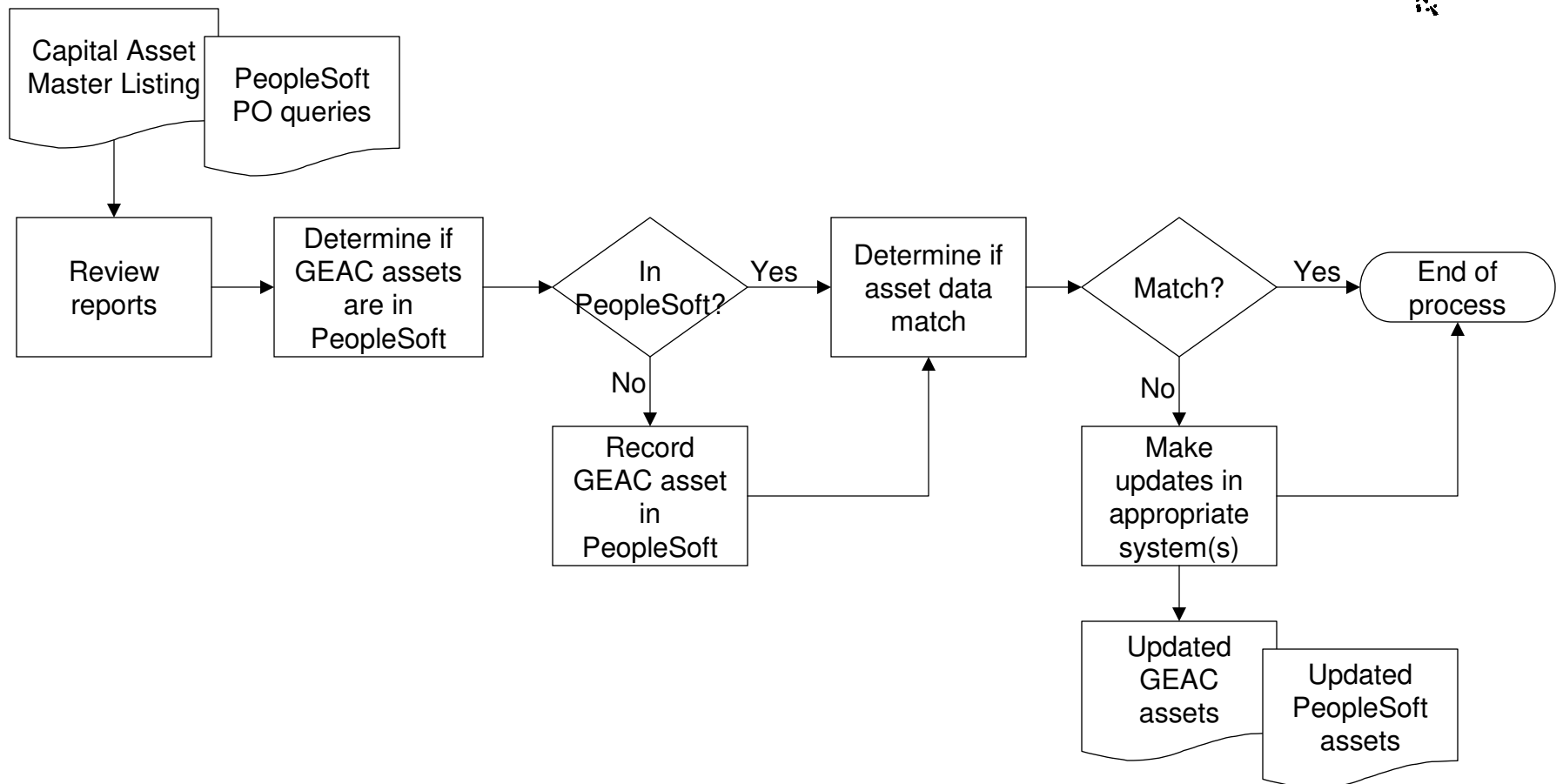




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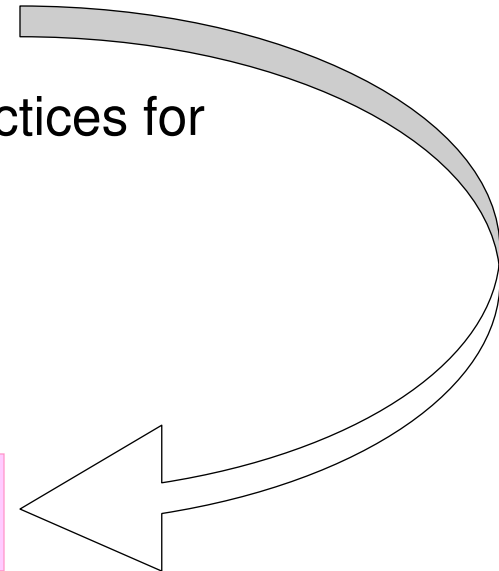


Accounts Payable

- Accounts Payable (AP) facilitates both voucher entry and payment processing
- The GMIS website provides AP guidance
- ⇒ The following AP slides present best practices for balancing PeopleSoft transactions

PeopleSoft 8.9 GMIS Documentation Web Address:

https://financial.gmis.in.gov/SOI/soi_fs_info.html





Accounts Payable (cont.)

- Up through go-live: The following AP JV entries should be entered into PeopleSoft:
 - Worker's Compensation Claims
 - ID Bills paying for services/goods on PS REQ/PO
 - Corrections (Journal Vouchers) to paid AP vouchers
- The table provided on the following slide lists the conventions for processing AP JVs as described on the GMIS website
- After go-live: Discontinue entering the AP JV entries listed above as these processes will change under ENCOMPASS

The new ENCOMPASS processes will be communicated to you during ENCOMPASS training scheduled for this Fall



Accounts Payable (cont.)



AoS JV Entries	Description*
Worker's Compensation Claims	Should be entered as an AP voucher to the vendor being paid (not JWF) with appropriate withholding code from JWF's claim form and the AOS check number recorded as a manual payment. For instructions on recording a manual payment see: https://financial.gmis.in.gov/SOI/AP/AP_010.doc
ID Bills paying for services/goods on PS REQ/PO	Some ID Bills are paying for services/products that were ordered via PeopleSoft REQ/PO (for example PEN or Printing (but not paper from Central Printing)). In this case the PO should be received when the services/products were received, the receiver pulled over to an AP voucher and a manual payment recorded using the ID bill number and paid date. See this procedure: https://financial.gmis.in.gov/SOI/AP/AP_420.doc - Entering ID Bills as Manual Voucher Payments in PeopleSoft AP. The line description should include relevant information such as the date of service, items ordered or purpose of order.
Corrections (Journal Vouchers) to paid AP Vouchers	These should be entered as AP Journal Vouchers – see this procedure: https://financial.gmis.in.gov/SOI/AP/AP_030.doc The voucher ID for the AP Journal Voucher should be the AOS JV transaction ID and the line description should explain nature of the correction. Use the Comments link on the Invoice Information page to add additional information.

* Descriptions are taken from the Conventions for GL Journals process provided on the GMIS website



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ENCOMPASS Balancing and Reconciliation Schedule



- Starting in FY 2008, AoS and GMIS will close accounting periods in PeopleSoft, which means:
 - On the first day after the end of each accounting period, AP will be closed and will not be reopened
 - In addition, after all journal entries have been posted to the GL, the GL will be closed for the specific period
 - This will ensure that the balances in the GL will not change after final monthly reports are generated



ENCOMPASS Balancing and Reconciliation Schedule



- At a minimum, agencies on PeopleSoft need to reconcile GEAC financial balances with PeopleSoft financial balances **monthly**
- The ENCOMPASS project team will support Business Unit balancing and reconciliation activities, specifically:
 - Provide workrooms staffed with ENCOMPASS and GMIS staff in which PeopleSoft users can complete work
 - Monitor the reconciliation schedule and activities; notify each Business Unit's Budget Analyst for non-conforming agencies

We will distribute invitations to the reconciliation workshop via the ENCOMPASS distribution list.

➔ The following slides provide tools to aid Business Units in their balancing and reconciliation activities:

- Balancing and reconciliation schedule
- Balancing and reconciliation checklist





ENCOMPASS Balancing and Reconciliation Schedule (cont.)



FY 2008 Accounting Period	Month	Accounts Payable Accounting Period Close Date	Balancing Reconciliation Completion Date	General Ledger Accounting Period Close Date
1	July	August 1, 2007	August 22, 2007	August 27, 2007
2	August	September 1, 2007	September 19, 2007	September 24, 2007
3	September	October 1, 2007	October 17, 2007	October 22, 2007
4	October	November 1, 2007	November 14, 2007	November 19, 2007
5	November	December 1, 2007	December 7, 2007	December 12, 2007
6	December (month closes 12/21 – subject to change)	December 20, 2007	December 20, 2007	December 21, 2007



ENCOMPASS Balancing and Reconciliation Schedule (cont.)



Reconciliation Activity	Activity Description	Balance and Reconcile?
General Ledger		
Reconciliation of PeopleSoft Expenditures and/or Revenue to AoS	<ul style="list-style-type: none">■ GL balances recorded in GEAC should match the balances in PeopleSoft■ The GMIS website presents two GL reconciliation processes (one manual and one automated process)■ Refer to the reconciliation instructions in the General Ledger section of this document	



ENCOMPASS Balancing and Reconciliation Schedule (cont.)



Reconciliation Activity	Activity Description	Balance and Reconcile?
eProcurement/Purchasing		
Reconcile PeopleSoft purchase orders with GEAC purchase orders	<ul style="list-style-type: none">■ Purchase orders recorded in GEAC should be recorded in PeopleSoft; and balance (i.e., purchase order total and amount expended should be equal in both GEAC and PeopleSoft – taking into account balance timing differences)■ Refer to the reconciliation instructions in the eProcurement/Purchasing section of this document	
Review open PeopleSoft requisitions and purchase orders	<ul style="list-style-type: none">■ Review open PeopleSoft requisitions and purchase orders to determine if they can be closed<ul style="list-style-type: none">– Note: hitting the "Finalize" button for requisitions and purchase orders will de-encumber excess funding■ From the GMIS documentation home page, under the Reporting and Query section, click <u>Recommended Public Queries List</u>, then <u>eProcurement/Purchasing Queries</u> and run the <i>Purchase Orders Unliquidated</i> query and the <i>Requisitions Unliquidated</i> query	



ENCOMPASS Balancing and Reconciliation Schedule (cont.)



Reconciliation Activity	Activity Description	Balance and Reconcile?
eProcurement/Purchasing (cont.)		
Close purchase orders in GEAC	<ul style="list-style-type: none">■ Business Units should review expended purchase orders and initiate closing paperwork■ When the final receiver is submitted with the final payment to AoS, please include the following information on the final receiver: <i>Close, Cancel, or Liquidate</i> and the <i>Dollar Amount of the Credit Balance</i>■ If you have not been doing this, please review GEAC purchase orders, determine purchase orders that are fully expended and are ready to be closed, then forward all closure information to Donna Richie, Accounting Supervisor, AoS (email: drichie@auditor.in.gov)■ Business Units can obtain their GEAC purchase orders by running an AUD PO Search query, which can be accessed via AoS' intranet site (http://auditor.in.gov); from the AUD home page, click: <u>Accounting</u>, then <u>Applications</u>, then <u>Purchase Order Search</u> (see instructions in the eProcurement/Purchasing section of this document)	



ENCOMPASS Balancing and Reconciliation Schedule (cont.)



Reconciliation Activity	Activity Description	Balance and Reconcile?
Asset Management		
Reconcile PeopleSoft assets over \$20,000 to GEAC assets	<ul style="list-style-type: none">■ Assets recorded in GEAC should be recorded in PeopleSoft; and balance (i.e., financial and physical attributes should be equal in both GEAC and PeopleSoft)■ Refer to the reconciliation instructions in the eProcurement/Purchasing section of this document	



Contact Information

- ENCOMPASS Website
 - <http://myshare.in.gov/sba/encompass>
- ENCOMPASS Email Address
 - encompass@sba.in.gov
- If you are having technical issues, submit them to GMIS
 - http://extranet.in.gov/gmis/issue_entry/base/issue_entry.asp

We Welcome Your Feedback / Questions / Comments